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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In the Matter of

Performance Measurements and  
Reporting Requirements for  
Operations Support Systems,  
Interconnection, and Operator  
Services and Directory Assistance

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CC Docket No. 98-56  
RM-9101

**REPLY COMMENTS OF**  
**SBC COMMUNICATIONS INC.**

SBC Communications Inc. ("SBC") respectfully files these reply comments in response to the Notice of Proposed Rulemaking on the above-captioned subject, released on April 17, 1998. These reply comments are submitted on behalf of SBC and on behalf of each of its BOC subsidiaries, Nevada Bell, Pacific Bell, and Southwestern Bell Telephone Company.

**A. Standards Or Guidelines.**

SBC vigorously opposes the adoption of new regulations imposing Operations Support Systems ("OSS") standards. This is contrary to the express intent of the Federal Telecommunications Act of 1996 ("FTA") and beyond the Commission's jurisdiction. As SBC pointed out in its initial comments, the Commission would be better served by respecting the progress already achieved by ILECs, CLECs, and governmental bodies in developing OSS measurements. The national imposition of OSS standards on all ILECs would be burdensome, counter-productive, and ineffective.

For those processes where a retail analog exists, the FTA requires ILECs to provide

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parity of service for CLECs and, for those areas of the telecommunications facilities-based business where parity cannot be measured, to offer CLECs a meaningful opportunity to compete. The law does not require ILECs to provide a minimum service level for resale/wholesale products. Minimum service levels are only appropriate in the context of a contractual agreement between an ILEC and a CLEC.

SBC believes that performance standards would be inherently arbitrary. Arbitrarily-set performance standards would be unreasonable, and they would not measure parity. The FTA requires parity of service to CLECs where a retail analog exists. The FTA does *not* require service based on some standard that might be superior or inferior to what the ILECs are providing to their retail customers.

Where no comparable retail service exists, the FTA does not obligate ILECs to fabricate an analogous service in order to establish some form of parity measurement. Where no retail analog exists and parity cannot be measured, SBC agrees that a performance standard may be appropriate. Nevertheless, many of the products in this competitive environment are new or have been significantly modified and many of the processes supporting them are also new in design and new to the personnel using them. Therefore, SBC feels that theoretical modeling cannot yet provide valid data to establish standards because these new processes are not sufficiently predictable. SBC supports collecting appropriate data on non-analogous retail services for a reasonable length of time — probably a year — and developing appropriate standards for the services from the collected data. This process will ensure that performance standards for non-analogous retail services are not developed in a theoretical way.

SBC urges that the Commission limit its role to helping others set appropriate OSS measurements, building on what has gone before, and respecting each ILEC's processes and particular circumstances.

**B. AT&T's Statistical Proposal.**

AT&T's proposal is inherently unfair and unacceptable. AT&T's proposal is unfair because there is simple random variation naturally present in the data. This random variation will cause the statistical test to indicate that the CLEC and ILEC data are statistically different, even when they are not. This is called a false-positive. In AT&T's proposal, this false-positive would occur about 5% of the time. If penalties were to be tied directly to the result of the statistical tests, then ILECs would pay those penalties, not because they were discriminating against CLECs, but because the data contains random variations.

AT&T's argument is based on the premise that, if the statistics show that there is a strong probability of a difference in the service provided to CLEC customers verses ILEC customers, then that is proof of intentional discrimination. But statistics cannot tell us why two populations exhibit a difference. Statistics can only tell us that a difference probably does exist. The reason the difference exists has to be determined by further study. AT&T's proposal ignores this fact altogether.

State commissions are capable of handling these issues without having the Commission impose something from above. In Texas, SBC avoided the unfairness inherent in AT&T's proposal when the staff of the Public Utility Commission of Texas recommended a system of credits whereby "superior" service offset "inferior" service. This system allows the "good"

variation to offset the "bad" variation. There may be other appropriate mechanisms, such as allowing for a detailed examination of the reasons for the discrepancy in measurements.

The Commission should look skeptically at AT&T's proposal. This proposal is not aimed at unearthing discrimination and rooting it out. Rather, AT&T seeks to establish a cash generating scheme, making ILECs pay for naturally occurring random variations.

**C. MediaOne.**

SBC takes exception to MediaOne's comments concerning its experience in California. While SBC concedes that MediaOne experienced certain difficulties in interconnecting its Signaling System 7 ("SS7") facilities with Pacific Bell's SS7 network, MediaOne's description of the problem is unfairly one-sided. The problem arose as a result of the combined acts of Pacific Bell, MediaOne, and MediaOne's vendor, Illuminet.

Both companies now recognize that a clear process for testing and provisioning needs to be in place. It was agreed that each marketing support group was responsible for establishing this process. SBC believes that it can state with confidence that all three parties — MediaOne, Illuminet, and Pacific Bell — are in agreement that the "MediaOne" problem has been satisfactorily resolved.

The NPRM-comment process is not the appropriate means of airing grievances or defending against them. If the Commission is interested in a more detailed explanation of the problem described by MediaOne, SBC will make more information available to the Commission upon request.

**VIII. CONCLUSION**

SBC respectfully requests that these reply comments be given due consideration.

Respectfully submitted,

Robert M. Lynch  
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July 6, 1998

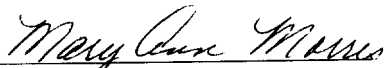
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**Certificate of Service**

I, Mary Ann Morris, hereby certify that the foregoing, "Reply Comments of SBC Communications Inc." in CC Docket No. 98-56-RM-9101 has been served on July 6, 1998, to the Parties of Record.

  
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